

# Office of the Inspector General

Description	FY 2002 Approved	FY 2003 Proposed	% Change
Operating Budget	\$12,476,429	\$12,089,442	-3.1

The mission of the Office of the Inspector General (OIG) is to independently perform the following:

- conduct and supervise audits, investigations, and inspections relating to the programs and operations of District government departments and agencies, including independent agencies;
- provide leadership, coordinate and recommend policies designed to promote economy, efficiency, and effectiveness, and prevent and detect corruption, mismanagement, waste, fraud, and abuse in District programs and operations; and
- keep the Mayor, Council, and District government department and agency heads fully and currently informed about problems and

deficiencies relating to the administration of these programs and operations and the necessity for corrective actions.

The agency plans to fulfill its mission by achieving the following strategic result goals:

- By 2003, the Audit Division will effectively measure the percentage of recommendations implemented by District agencies due to OIG audits.
- By 2003, the Medicaid Fraud Control Unit will develop and implement a tracking mechanism to measure prosecution referrals.
- By 2004, the Office of the Inspector General's total number of reports issued will increase by 48%.

## Did you know...

Website	<a href="http://www.d cig.org">www.d cig.org</a>
Hotline	202-727-0267 or 1-800-521-1639 or <a href="http://www.hotline.d cig.org">www.hotline.d cig.org</a>
Number of investigations referred to OIG/number resolved in FY 2001	168/154
Audit and management reports issued in FY 2001	38

## Where the Money Comes From

Table AD0-1 shows the source(s) of funding for the Office of the Inspector General.

Table AD0-1

### FY 2003 Proposed Operating Budget, by Revenue Type

(dollars in thousands)

	Actual FY 2000	Actual FY 2001	Approved FY 2002	Proposed FY 2003	Change From FY 2002
Local	7,180	10,673	11,263	10,824	-439
Federal	480	980	1,213	1,265	52
Other	916	0	0	0	0
Intra-District	158	0	0	0	0
<b>Gross Funds</b>	<b>8,735</b>	<b>11,652</b>	<b>12,476</b>	<b>12,089</b>	<b>-387</b>

## How the Money is Allocated

Tables AD0-2 and 3 show the FY 2003 proposed budget and FTEs for the agency at the Comptroller Source Group level (Object Class level).

Table AD0-2

### FY 2003 Proposed Operating Budget, by Comptroller Source Group

(dollars in thousands)

	Actual FY 2000	Actual FY 2001	Approved FY 2002	Proposed FY 2003	Change from FY 2002
Regular Pay - Cont Full Time	4,475	5,870	6,865	7,007	142
Regular Pay - Other	12	71	0	0	0
Additional Gross Pay	85	489	0	0	0
Fringe Benefits - Curr Personnel	568	826	922	944	22
Personal Services	5,140	7,256	7,786	7,951	165
<b>Supplies And Materials</b>	<b>67</b>	<b>76</b>	<b>96</b>	<b>97</b>	<b>1</b>
Energy, Comm. And Bldg Rentals	1	0	0	0	0
Telephone, Telegraph, Telegram, Etc	86	107	111	131	20
Rentals - Land And Structures	390	646	684	804	120
Security Services	0	0	10	10	0
Other Services And Charges	2,328	3,018	3,387	2,894	-493
Contractual Services - Other	300	0	0	0	0
Subsidies And Transfers	0	55	63	89	26
Equipment & Equipment Rental	422	494	341	114	-226
<i>Non-personal Services</i>	<i>3,595</i>	<i>4,396</i>	<i>4,690</i>	<i>4,139</i>	<i>-552</i>
<b>Total Proposed Operating Budget</b>	<b>8,735</b>	<b>11,652</b>	<b>12,476</b>	<b>12,089</b>	<b>-387</b>

Table AD0-3

**FY 2003 Full-Time Equivalent Employment Levels**

	Actual FY 2000	Actual FY 2001	Approved FY 2002	Proposed FY 2003	Change from FY 2002
Continuing full time	83	80	108	108	0
Term full time	0	11	0	0	0
<b>Total FTEs</b>	<b>83</b>	<b>91</b>	<b>108</b>	<b>108</b>	<b>0</b>

**Local Funds**

The proposed Local budget is \$10,824,442, a decrease of \$438,667, or 3.9 percent, from the FY 2002 approved budget of \$11,263,109. This decrease is the net result of a \$163,207 increase in personal services and a \$601,874 decrease in nonpersonal services. There are 92 FTEs funded by Local sources, no change from FY 2002.

Significant changes are:

- An increase of \$194,920 due primarily to the pay increase approved in FY 2002.
- A net decrease of \$31,713 in salaries due to historical salary lapse savings.
- A net decrease in other services and charges of \$495,784, which includes an increase of \$2,216 for postage costs and a decrease of \$498,000 associated with cost-saving initiatives.
- An increase of \$134,235 in fixed costs.
- A decrease of \$240,325 in equipment due to the elimination of one-time costs, including a copying machine and personal computers.

**Federal Funds**

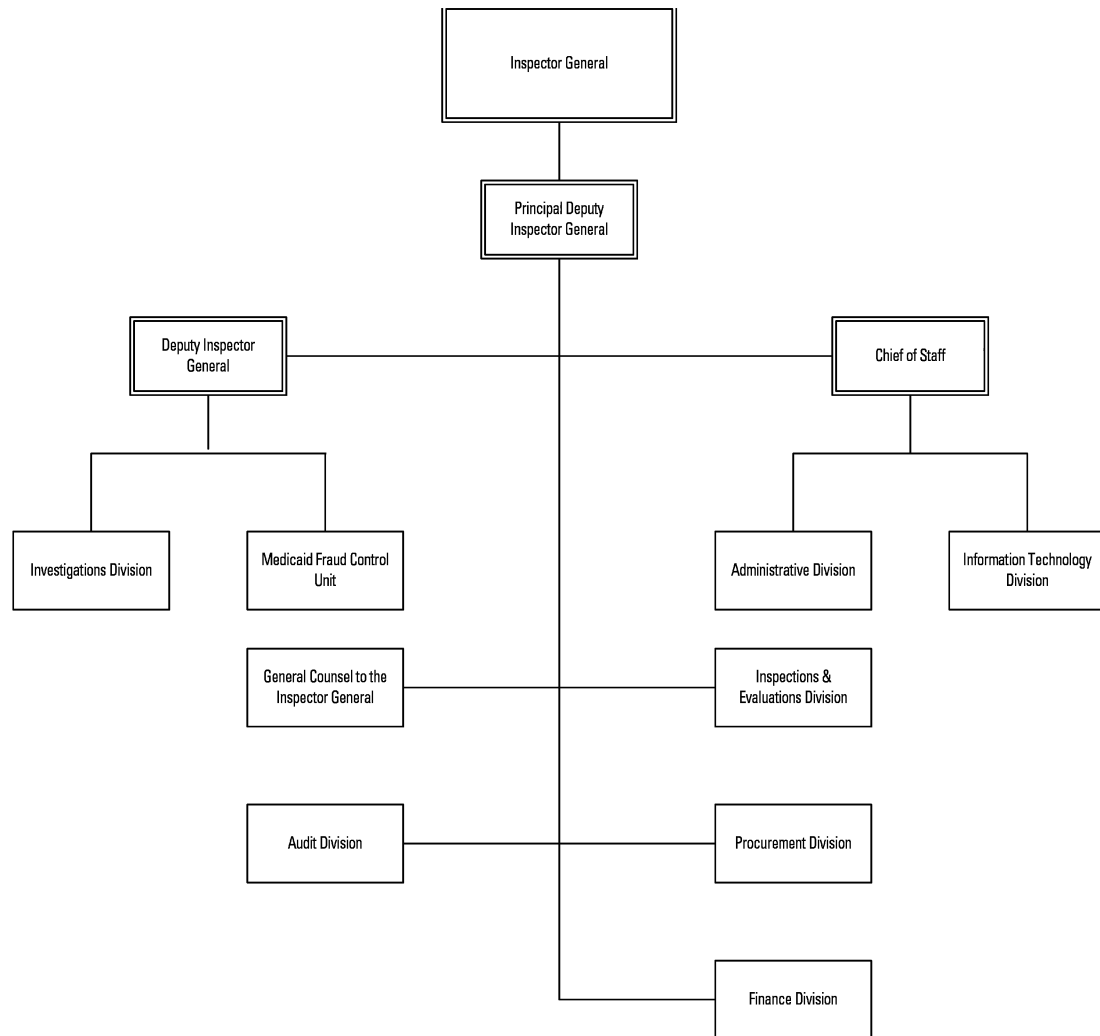
The proposed Federal budget is \$1,265,000, an increase of \$51,680 or 4.3 percent over the FY 2002 budget of \$1,213,320. This includes an increase of \$1,373 in personal services and \$50,307 in nonpersonal services. The total amount of Federal funds is from a grant with the U.S. Department of Health, which supports the OIG's Medicaid Fraud Unit, including 16 FTEs.

Significant changes are:

- An increase of \$1,373 for salary adjustments.
- An increase of \$50,307 in a variety of nonpersonal services categories, including \$14,025 for equipment, \$25,926 in subsidies and transfers, \$6,616 for fixed costs, and other minor increases in miscellaneous items.

Figure AD0-1

## Office of the Inspector General



### Programs

The Office of the Inspector General accomplishes its mission through four divisions:

- The Audit Division conducts audits, reviews and analyses of financial, operational, and programmatic functions.
- The Investigations Division investigates fraud and other misconduct by District government employees and contractors doing business with the District of Columbia.
- The Inspections and Evaluations Division is responsible for inspections and evaluations of District managers in accordance with defined performance criteria. Managers and pro-

grams will be evaluated and rated in terms of overall efficiency and effectiveness.

- The Medicaid Fraud Control Unit investigates cases of patient abuse and prosecutes Medicaid fraud, recovering money from false claims.

In FY 2003, the OIG plans the following initiatives:

- Expand the number of District agencies being considered for audit.
- Increase the recovery of funds due to damages assessed, penalties imposed or overpayments recouped by the Medicaid Fraud Control Unit.

## Agency Goals and Performance Measures

### Goal 1: Promote economy, efficiency, and effectiveness and improve financial management.

*Citywide Strategic Priority Areas:* Promoting Economic Development; Making Government Work

*Manager:* Cheryl Johnson, Deputy AIG for Audits  
*Supervisor:* William J. DiVello, AIG for Audits

#### Measure 1.1: Number of financial and performance audit reports produced on District programs and operations

	2000	Fiscal Year		2003	2004
		2001	2002		
Target	13	16	18	20	22
Actual	16	17	-	-	-

#### Measure 1.2: Number of management reports produced

	2000	Fiscal Year		2003	2004
		2001	2002		
Target	15	17	19	21	23
Actual	15	21	-	-	-

#### Measure 1.3: Savings due to audits (millions of \$)

	2000	Fiscal Year		2003	2004
		2001	2002		
Target	35	40	32	34	36
Actual	34	30.4	-	-	-

Note: The agency expects monetary savings to begin to level off and even decrease as it continues to audit District agencies, due to greater efficiency and implementation of corrective actions.

#### Measure 1.4: Number of District agencies covered

	2000	Fiscal Year		2003	2004
		2001	2002		
Target	N/A	16	18	20	22
Actual	14	17	-	-	-

Note: The agency believes this new measure more accurately reflects work performed and audit areas of emphasis than the previous measure of ongoing audits, which previously had targets and goals of 15 and 17 for FY 1999, and 19 and 12 for FY 2000.

### Goal 2: Abate public corruption and fraud in District agencies.

*Citywide Strategic Priority Areas:* Promoting Economic Development; Making Government Work

*Manager:* Alfred Miller, Deputy AIG for Investigations  
*Supervisor:* David M. Bowie, AIG for Investigations

#### Measure 2.1: Number of investigation matters received

	2000	Fiscal Year		2003	2004
		2001	2002		
Target	690	600	640	660	660
Actual	580	512	-	-	-

Note: Outside of the control of OIG

#### Measure 2.2: Number of investigations opened

	2000	Fiscal Year		2003	2004
		2001	2002		
Target	280	170	175	180	190
Actual	193	182	-	-	-

#### Measure 2.3: Number of investigations closed

	2000	Fiscal Year		2003	2004
		2001	2002		
Target	200	172	180	185	194
Actual	169	159	-	-	-

#### Measure 2.4: Number of matters referred

	2000	Fiscal Year		2003	2004
		2001	2002		
Target	130	150	155	160	170
Actual	149	168	-	-	-

Note: Outside of the control of OIG

#### Measure 2.5: Number of referrals closed

	2000	Fiscal Year		2003	2004
		2001	2002		
Target	68	123	130	144	153
Actual	115	154	-	-	-

#### Measure 2.6: Number of investigation reports prepared

	2000	Fiscal Year		2003	2004
		2001	2002		
Target	60	90	95	100	105
Actual	87	46	-	-	-

#### Measure 2.7: Number of management reports prepared, including Management Alert, Fraud Alert, and Management Information Reports

	2000	Fiscal Year		2003	2004
		2001	2002		
Target	N/A	16	18	20	25
Actual	14	11	-	-	-

Note: Management reports began in FY 2000.

#### Measure 2.8: Number of hotline calls received

	2000	Fiscal Year		2003	2004
		2001	2002		
Target	375	340	374	400	450
Actual	327	327	-	-	-

Note: Outside of the control of OIG

**Goal 3: Promote economy, efficiency, and effectiveness and address high-priority issues.**

*Citywide Strategic Priority Areas:* Promoting Economic Development; Making Government Work

*Manager:* Robert Isom, Deputy AIG for Inspections and Evaluations

*Supervisor:* Alvin Wright Jr., AIG for Inspections and Evaluations

**Measure 3.1: Number of inspection reports prepared**

	Fiscal Year				
	2000	2001	2002	2003	2004
Target	4	6	10	12	12
Actual	4	4	-	-	-

**Measure 3.2: Number of management reports prepared**

	Fiscal Year				
	2000	2001	2002	2003	2004
Target	0	3	8	10	10
Actual	7	4	-	-	-

**Measure 3.3: Number of follow-up reports on agency compliance with Office of Inspector General recommendations prepared**

	Fiscal Year				
	2000	2001	2002	2003	2004
Target	N/A	4	2	3	3
Actual	N/A	0	-	-	-

**Goal 4: Heighten integrity awareness and fraud deterrence.**

*Citywide Strategic Priority Areas:* Promoting Economic Development; Making Government Work

*Manager:* Ilene Nathan, Deputy Director

*Supervisor:* Sidney Rocke, Director

**Measure 4.1: Number of unusual incidents addressed at nursing and group homes including incidents resulting in injury or illness to a ward or resident of a nursing home, community residence facility, or group home for persons with mental retardation**

	Fiscal Year				
	2000	2001	2002	2003	2004
Target	N/A	600	600	600	600
Actual	362	2805	-	-	-

**Measure 4.2: Number of fraud cases initiated**

	Fiscal Year				
	2000	2001	2002	2003	2004
Target	N/A	40	50	60	60
Actual	20	22	-	-	-

Note: The number of fraud cases initiated is dependent on the number of allegations made, which is outside of the control of OIG.

**Measure 4.3: Amount of recovered funds including damages assessed, penalties imposed, and overpayments recouped (millions of \$)**

	Fiscal Year				
	2000	2001	2002	2003	2004
Target	N/A	0.5	1.5	2.5	2.5
Actual	N/A	0.353	-	-	-

Note: FY 2001 actual is \$353,017.

**Measure 4.4: Number of division reports issued**

	Fiscal Year				
	2000	2001	2002	2003	2004
Target	N/A	12	18	25	30
Actual	3	11	-	-	-